

other administrative functions. It was announced that the reorganization is primarily intended to speed up the production and delivery of combat planes. This change came about shortly after Maj. Gen. Walter R. Weaver was appointed Acting Chief of the Air Corps. The committee believes that the appointment of General Weaver, and the subsequent reorganization under his command, will contribute greatly to both the quality and quantity of planes necessary to achieve control of the air on all war fronts.

ADDRESS BY SENATOR WILEY BEFORE PHILADELPHIA REAL ESTATE BOARD

[Mr. WILEY asked and obtained leave to have printed in the Record an address delivered by him on January 17, 1942, before the Real Estate Board of Philadelphia, Pa., which appears in the Appendix.]

WAR GARDENS AND STATE COUNCILS OF DEFENSE—ADDRESS BY THE GOVERNOR OF TENNESSEE

[Mr. McKELLAR asked and obtained leave to have printed in the Record an address delivered by Hon. Prentice Cooper, Governor of Tennessee, on December 18, 1941, at the National Defense Gardening Conference in Washington on the subject War Gardens and State Councils of Defense, which appears in the Appendix.]

ADDRESS BY CHINESE AMBASSADOR

[Mr. DAVIS asked and obtained leave to have printed in the Record an address delivered by the Chinese Ambassador to the United States before the Philadelphia Real Estate Board at the Bellevue-Stratford Hotel, Philadelphia, Pa., January 17, 1942, which appears in the Appendix.]

HEROES—EDITORIAL FROM PM

[Mr. CRAWFORD asked and obtained leave to have printed in the Record an editorial from PM of January 16, 1942, entitled "Heroes," which appears in the Appendix.]

FARMERS ARE FAIR—EDITORIAL FROM HASTINGS TRIBUNE

[Mr. BUTLER asked and obtained leave to have printed in the Record an editorial from Hastings (Nebr.) Tribune of January 12, 1942, entitled "Farmers Are Fair," which appears in the Appendix.]

ORDER DISPENSING WITH CALL OF CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The calendar, under rule VII, is in order.

Mr. WILEY. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. WHEELER. Mr. President, I move that the Senate proceed to the consideration of House bill 6263, to amend section 303 of the Communications Act of 1934 for the purpose of granting to the President, in time of war or threatened war, certain powers with respect to communications by wire.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and the Senate proceeded to consider the bill,

which had been reported from the Committee on Interstate Commerce, without amendment.

Mr. WHEELER. Mr. President, I wish to make a brief explanation of the bill. At the request of the Communications Commission I introduced Senate bill 2123, giving the President the same right to take over telegraph and telephone companies which he now possesses with reference to the radio. At the same time Representative LEA, chairman of the House Committee on Interstate and Foreign Commerce, introduced House bill 6263. His bill passed the House of Representatives, but the House practically rewrote the bill as it was originally introduced. House bill 6263 came to the Senate and was referred to the Committee on Interstate Commerce. The committee immediately took it up for consideration, and reported it to the Senate unanimously.

When the bill was pending before the committee, both the telegraph and telephone companies were given an opportunity to be heard, but they suggested no amendments which were not already provided for in the bill as it passed the House. The only additional matter in which they were interested was that certain statements which were made by Mr. Fly, the Chairman of the Communications Commission, should be included in the report, and we inserted those statements in the report.

If enacted, the legislation would give the President the same power over wire and cable facilities which he now has—and has had for years—over radio facilities. The measure specifically provides that the President, if he deems it necessary for national security, during a state or threat of war, and for not more than 6 months after the termination of the war or threat of war, may, in the language of the bill:

(1) Suspend or amend the rules and regulations applicable to any or all facilities or stations for wire communication within the jurisdiction of the United States as prescribed by the commission; (2) cause the closing of any facility or station for wire communication and the removal therefrom of its apparatus and equipment; or (3) authorize the use or control of any such facility or station and its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners.

From statements made before the committee, my understanding is that there is no intention that the Government shall take over the properties of the telephone and telegraph companies, except in case of emergency, when it may be absolutely necessary, as in the event the country should be invaded, or when it may become imperative that the companies be taken over for defense purposes.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. WHEELER. I yield.

Mr. VANDENBERG. In spite of the Senator's statement regarding the intent, does the language of the bill authorize the President to take over completely the control of these wire facilities and operate them under Government control?

Mr. WHEELER. Oh, yes; during the period of the emergency and for 6 months thereafter; but it was the understanding of the committee, which is borne out, I think, by the statement of Mr. Fly, that the intent is to take over only the use and control of the facilities.

The question was asked before the committee whether it was the intention to leave in control those who were in charge of the companies. My understanding is that they are to be left in control, unless for some reason it might become necessary to displace with the services of some particular individual.

In all fairness to the telephone and telegraph companies, I wish to say that they have shown every indication of intention to cooperate with the Government in every way in our national defense. There has not been any question at all about their cooperating with the Government. They have shown and have stated that they were perfectly willing to do anything the Government requested, and that they had no objection to what was proposed, because they realized that it might be necessary for the Government, under emergency conditions, to take over the control of the companies during the period of emergency.

Mr. VANDENBERG. I can understand the exigent necessity for control under certain circumstances, but, having a rather profound respect for the efficiency with which the telephone systems of the country are operated, I should not like to see happen anything which indicated that the physical management of the properties was to be subordinated to Government management and control, because I think it would be a step backward.

Mr. WHEELER. As the Senator may recall, I introduced a resolution providing for an investigation of the telegraph companies. I am frank to say to the Senator that we have in the United States probably the most efficient telephone system to be found anywhere in the world, not saying anything about the cost of the service. Any Senator who has visited any other country and has had to use a telephone will recognize that statement to be correct.

In my talks with Mr. Fly, and also in the testimony before the committee, it did not appear there was any present intention of taking over the companies. The thought was that in the event it became absolutely necessary to take over control of the companies, we should have some such legislation on the statute books as is here proposed.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. DAVIS. Is there anything in the present law or in the bill we are now discussing granting any power to the Government to consolidate, let us say, the Western Union and the Postal Telegraph Cos. without having hearings and additional legislation?

Mr. WHEELER. My own view is that that could not be done without further legislation on the subject. In connection with that matter, as the Senator perhaps knows, the Senate Committee on Inter-

emergency

state Commerce has conducted an investigation of the entire communications situation, the investigation extending over a period of some time, and having reference to consolidation of the two telegraph companies. I am of the impression that one of the Members of the Senate intends to introduce a measure along that line.

Mr. TAFT. Mr. President, is it not evident that under the proposed act the two telegraph companies could be consolidated? It seems clear to me that the Government could take over both telegraph companies, and take the course of closing any station it did not want, and that it could therefore set up a single system, which could never under any circumstances be unscrambled. I do not say whether it should or should not be done, but it seems to be perfectly clear that under the proposed act it could be done.

Mr. WHEELER. I do not agree with the Senator that the Government could take them and consolidate them. In the event of emergency it could take them over, but my understanding is there is not any such proposal in the mind of the Communications Commission or of the administration, and I must say that I should be completely shocked if anything of that kind were attempted, because there is no intention in the proposed legislation to do anything of the kind. In my judgment, there is nothing in the bill which would permit the consolidation of the two companies. If it were found necessary, the Government might take over the use of the companies, and might temporarily abandon the use of a station here or a station there; but nothing of the kind suggested by the Senator was even intimated or suggested to the committee, and I do not believe there is any intention on the part of anyone to do anything of the kind.

Mr. TAFT. Mr. President, I am not speaking of intentions. Of course, intentions may be changed.

Mr. WHEELER. I do not think the Government could take such action.

Mr. TAFT. Under the provisions of the bill it seems clear to me that the Government may take over both telegraph companies, and may take over the telephone company at any time while the war lasts.

Mr. WHEELER. But there is no provision in the bill that the Government may consolidate the telegraph companies or, for instance, take away from the telephone company something which belongs to it, and turn it over to some other company. The measure simply provides for taking over the use of the companies, not the properties themselves. The only intention is to take over the use of the telephone and telegraph companies during the period of the emergency.

Mr. TAFT. Is it not clear that if the Government, for instance, were to take over the telegraph companies it would take them both? The Government would want a unified system, so the Government would unify all facilities, and would dispose, as it is authorized to do, of all duplicate stations, and when the time came to hand back the properties to the telegraph companies it would be practically impossible to separate them?

I do not say that would be a bad thing. I am interested only to know whether the Senator thinks that would be the effect of the powers conferred by the bill?

Mr. WHEELER. If the Government wanted to go to the length of taking over the use of the Western Union and Postal Telegraph Cos., and if it wanted to stretch the law, it could say, "We will close the Postal Telegraph station here, and the Western Union station there, during this particular period of time." But it seems to me it would be a stretching of the law if the authorities should attempt to do anything of the kind, because there is nothing in the proposed legislation which contemplates such action.

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. WHEELER. I yield.

Mr. TAFT. Would the Senator object to an amendment making perfectly clear that without further action by the Congress neither the telephone company nor any telegraph company may be taken over? I have had printed an amendment, which I shall offer when I have the opportunity to do so.

Mr. WHEELER. I have read the Senator's amendment.

Mr. TAFT. In view of the fact that it is not intended to give the power indicated, I thought perhaps the Senator might be willing to accept some such amendment.

Mr. WHEELER. I have read the Senator's amendment, and I must confess that I think the amendment would very greatly hamper the Government under certain conditions, upon which I shall be glad to touch. When I find myself in disagreement with the distinguished Senator from Ohio, I sometimes feel that I may be wrong, but in reading the Senator's amendment I find this provision:

That except in case of invasion or in connection with the movement of military or naval forces no such authorization shall be given for the use and control of property costing more than \$10,000,000 without prior appropriation by the Congress.

When we come to dealing with the telephone company or the telegraph companies, \$10,000,000 is a very small amount. I do not expect, and I think no one else expects, that the enemy will take over California or that there will be an invasion of New England.

Mr. TAFT. My amendment provides that in case of invasion there shall be no such restriction.

Mr. WHEELER. If the Senator will read the testimony of Mr. Fly, he will find that Mr. Fly stated repeatedly that there is no intention to take over the companies.

Mr. TAFT. If the Senator will further yield to me, I will say that Mr. Fly, in his testimony, said:

The Board's approval of this bill does not mean that it has a general plan to take over wire and cable communications broadly.

The mere fact that the Board does not have a general plan to take over the companies does not imply that a month from now it will not have such a plan, or that it will not change its intention once the bill is passed. When the bill is passed

the power then will be gone from Congress. The only purpose I had in mind was that, at least in order to obtain the money it would cost the Government to take over these systems, the authorities should come back to Congress before any general expropriation of telephone or telegraph companies was undertaken. During the World War it cost the Government hundreds of millions of dollars to take over the railroads, and it seems to me Congress ought to be willing to appropriate the money before involving the Government in any such tremendous obligation.

Mr. WHEELER. Mr. President, I am one of those who have never believed that the Congress ought to abdicate its powers and turn them over to someone else, but, as a matter of fact, we are now in the war, and in order properly to conduct the war I think we must give the broadest possible powers to the President of the United States, and I, as one who opposed our entrance into the war and who felt that it was a mistake to get into it in any way, shape, or form until we were attacked, am now prepared to say that we must give to the President of the United States all power that is necessary to carry on the war. I do not think the Congress of the United States desires to be placed in such a position as that it can be said we did not give the President the power he wanted, and by reason thereof the administration was hampered in conducting the war. That is the way I feel about the matter.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BREWSTER. I invite the Senator's attention to the language of the bill on page 3, line 3, as follows:

Nothing in subsection (d) shall be construed to authorize the President to take any action the force and effect of which shall continue beyond the date after which taking of such action would not have been authorized.

If the merger of the Postal Telegraph and Western Union Cos. were accomplished, certainly the force and effect of that provision would continue after the expiration of the emergency.

Mr. WHEELER. But there will not be any merger.

Mr. BREWSTER. I was trying to suggest that there was a small limitation to the broad language of the bill. Would not the provision cited constitute at least some implication of a limitation upon the Presidential power?

Mr. WHEELER. I think so. I think the Senator is clearly correct. As I said a moment ago, the Government is not going to take over the properties permanently or seize them. The bill simply provides for the use of the properties. There is now such a law upon the statute books with respect to radio companies. I think the Senator from Maine (Mr. Wheeler) probably had more to do with that legislation, which was passed some years ago, than any other person. The pending bill would simply give to the President, with respect to telephone and telegraph companies, the same power the President has over radio. There has

never been any complaint with respect to the legislation dealing with radio.

When this measure was in contemplation I wrote to the officials of the telephone company and gave them an opportunity to be heard. There was no objection on their part to the provisions in the bill, except that they wanted the report to contain the statements which were made by Mr. Fly before the committee showing the Government's intentions with respect to the proposed legislation. These statements were placed in the report, and the report was submitted to the Senator from Maine [Mr. Wheeler] and the Senator from Vermont [Mr. Austin], and both Senators were satisfied with the statements as set forth in the report. These affected by the proposed legislation were satisfied with the measure as it was passed by the House and as it was reported by the Senate committee.

Mr. DANAHY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. DANAHY. Inviting the Senator's attention to the language in line 14 on page 2, particularly the words "upon just compensation to the owners," does the Senator understand that phrase to apply to all three subsections which precede line 14?

Mr. WHEELER. Yes.

Mr. DANAHY. I wanted to know, as the statement of the Senator's opinion, that that is so.

Mr. WHEELER. Yes; exactly.

Mr. DANAHY. Now, inviting the Senator's attention to line 9, on page 1, the words "or threat of war." I wish to ask the Senator why it is necessary to include the words "threat of war." We are perfectly satisfied that we are in war, and we are all perfectly satisfied to give the President the powers sought under this bill for the purpose of attaining all the objectives of the war. This would be permanent legislation, would it not?

Mr. WHEELER. The law would operate only during the period of the war.

Mr. DANAHY. Once it goes on the books it stands as permanent law, does it not?

Mr. WHEELER. Yes.

Mr. DANAHY. So henceforth, if and when the present war shall be concluded, the phrase "threat of war" would carry forward in perpetuity unless we should repeal the act. Consequently it would be a matter of construction at any time when a threat of war might be said to exist, to bring the powers granted by the act into operation again. Is not that so?

Mr. WHEELER. That is correct.

Mr. DANAHY. Why should we put in the words "threat of war"?

Mr. WHEELER. I do not know why they are in. I do not think they are particularly important. They were put in in the other House. It is the same language which is in the radio law. I assume that is the reason why it was put in. The radio law says "in case of war or threat of war." The language in the present radio law was followed.

Mr. DANAHY. I am not one to cavil over something the House has done; but I see no reason why we should perpetuate error simply because it comes highly recommended.

Mr. WHEELER. I agree with the Senator; but we have had such a provision in the law with reference to radio as long as that law has been on the statute books. In case of war or threat of war certain facilities may be taken over. I presume there may be circumstances, after this war is over, in which a threat of war may be said to exist, and that some future administration may feel that it is important, in case of a threat of war, to take over cables or some portion of the wire services of the United States.

Mr. President, the amendment proposed by the Senator from Ohio [Mr. Taft] would seriously weaken this important bill. The Defense Communications Board, the Army, and the Navy have all strongly urged that the President be given the same power to use or control wire facilities that he now has with respect to radio. It was pointed out that communications are the nerve center of the fighting forces and that it is necessary in time of war that the President act swiftly and effectively to insure the best possible communication. The House of Representatives has recognized this need and has unanimously approved the proposed bill. At the hearing before the Senate Committee on Interstate Commerce testimony by Chairman Fly and by Army and Navy officials likewise unanimously urged the speedy enactment of the bill.

The amendment offered by the Senator from Ohio might well make it impossible for the President to meet vital wartime needs in communications. Under the proposed amendment Presidential action to use or control wire facilities would be limited to property costing less than \$10,000,000 except in cases of invasion or in connection with a movement of military forces. Of course, it would be absurd to introduce a \$10,000,000 limitation on this power. Ten million dollars is but a drop in the bucket in the communications field. The figures on file with the F. C. C. clearly demonstrate that to be so. The Commercial Pacific Cable Co., which has strategic lines across the Pacific Ocean and is controlled largely by foreign interests, could not be taken over under the proposed \$10,000,000 limitation, since its investment in plant and equipment is well over \$22,000,000.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TAFT. What company is that?

Mr. WHEELER. The Commercial Pacific Cable Co.

Mr. TAFT. Does the Senator know by whom the Commercial Pacific Cable Co. is owned?

Mr. WHEELER. I do not.

Mr. TAFT. Is there any intention on the part of the Government to take over the Commercial Pacific Cable Co.?

Mr. WHEELER. Frankly, I think there may be. At the present time the Commercial Pacific Cable Co. is out of, as the Senator may know. My understanding is that it has been practically cut to pieces beyond Honolulu. We cannot go much farther than Honolulu with the Commercial Pacific Cable Co. I think that is one of the things which it is felt imperative to take over.

Mr. TAFT. I have no objection to taking over any cable line or any line of communications running from this country to another country. I do not understand that the bill includes any such power.

Mr. WHEELER. Oh, yes.

Mr. TAFT. My impression is that the Government may do so with or without further legislation.

Mr. WHEELER. The Commercial Cable Co. has an investment of over \$26,000,000 and All-American Cables & Radio an investment of over \$30,000,000. In the case of telephone companies, the \$10,000,000 limitation would make it almost utterly impossible to act even in a limited area. For example, the valuation of the New England Telephone & Telegraph Co. is approximately \$325,000,000; and that of the New York Telephone Co. almost \$890,000,000. On the Pacific coast, which has already been declared a theater of operations, we find that the Pacific Telephone & Telegraph Co. has an investment of more than \$285,000,000 and the Southern California Telephone Co. an investment of \$192,000,000. These huge figures show how insignificant a cost of \$10,000,000 is in this field.

It cannot be overemphasized that the proposed bill is a wartime measure, that the President must be given power to act immediately, and that the essential purpose of the bill is to remove the delay necessarily involved in negotiation and the execution of contracts. If the President's power is shackled by any monetary limitation, delay is inevitable. No doubt Senators are well aware of the complexities and delays involved in determining the valuation of telephone property. Protracted litigation in the field has almost become legendary. We need only refer to the Chicago telephone rate case, which began in 1921 and continued for at least 13 years, or the New York telephone rate case, which lasted for about 16 years, or the Wisconsin telephone rate case, which continued for about 10 years. Those cases are perhaps the bad examples, but they demonstrate the impossibility of easily arriving at a decision regarding valuation in the wire communication field.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TAFT. My amendment does not in any way limit his authority to act. It merely provides that he must obtain an appropriation from Congress to pay for what he is taking before he takes it, except in case of invasion, which, of course, may be an emergency. Frankly, I think that if the President desires to take over the Commercial Pacific Cable Co. he ought to come to Congress and obtain an appropriation to pay the cost of such action. I see no reason why he should not do so.

Mr. WHEELER. I assume, of course, that he would have to come to Congress sooner or later in order to get the money to pay for it.

Mr. TAFT. No. I do not so understand the bill. It seems to me that under the terms of the bill the President might proceed to take over such a facility, leaving for later determination the ques-

tion of just compensation and the appropriation therefor.

Mr. WHEELER. That is correct.

Mr. TAFT. I see no reason why the President should not come to Congress for an appropriation if he intends to spend \$186,000,000 in taking over a telephone company in California.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REED. I ask the Senator from Ohio if he is really in earnest in making the suggestion that if the President finds it necessary in wartime to take over a railroad, a telephone line, or a radio facility, he must wait until the value is determined by the courts and then wait until he can obtain an appropriation from Congress? Surely the Senator from Ohio does not mean that.

Mr. TAFT. I did not propose any such thing. However, I said that if the President wants to take over a company which is likely to cost so much he ought to have an appropriation for that amount. After all, Congress determines the policy of taking over such property. If subsequently it is determined that the cost is greater than was anticipated he can then obtain a supplemental appropriation. I am certainly in earnest in making that proposal.

Mr. REED. Surely the Senator from Ohio cannot be in earnest. If there is an emergency requiring the Government to take over anything, surely the taking over ought not to be deferred until the damage has been determined and Congress has appropriated money.

Mr. TAFT. I say it should be.

Mr. WHEELER. I must disagree with the Senator from Ohio. If we are to take over a telephone company in an emergency, everybody who has had anything to do with rate and valuation cases, as the Senator from Kansas has had, knows the length of time the litigation would require. The parties would fight interminably over the value of the property. I say that we must give the President such authority whether we like it or not. When we are in war we must do many things which we do not like to do. We must give the President the power to take over such facilities, leaving for later determination the question of value. If the value of the property, or the use of the property during a given period of time, cannot be agreed upon, the question must go to the courts or to the Congress for determination. If we do it in any other way, it seems to me we shall very definitely hinder the President's powers in taking over such facilities in time of emergency.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. TAFT. Of course, when we appropriate for tanks and guns we do not know that the appropriation will be the exact amount required. We do not know what the tanks and guns will actually cost. Later we may have to appropriate more money for tanks and guns; but we can get a reasonable estimate of the cost, and we can appropriate a sum which is presumably sufficient to accomplish whatever property seizure the President

wishes to undertake. I realize that in case of invasion we might have to do anything. My amendment excepts cases of invasion and military movement of troops.

Mr. WHEELER. Mr. President, I think the officials and employees of the telephone company are as patriotic as anyone else in the United States.

Mr. TAFT. Let me say that I have not heard a word from the telephone or telegraph companies. I have not heard any complaint from anybody. I merely say that I think it is vitally necessary that we maintain our system of private property as close to what it was as we possibly can.

We should not grant powers unless they are really to be used or are actually needed for carrying on the war.

My interest is not at all a private interest in any telephone company. It is a matter of principle. I do not think the United States Government should seize property unless it becomes absolutely essential to do so; and I do not think the President should be given power to seize any substantial amount of property unless Congress passes on the question whether the Government should take over the property, except in cases of real emergency.

Mr. WHEELER. I am sure the Senator has not heard from any of the telephone companies. If he thought I so implied, he is mistaken, for I know that no telephone company has objected to the proposed legislation in its present form. Representatives of the telephone companies have talked with me, as the chairman of the committee, and with other members of the committee, and they have expressly said that while they would prefer to have no legislation at all enacted upon the subject, yet they recognize the fact that in time of war it may be necessary to do so; and they are perfectly satisfied with the bill as it is, with the report which we made on the bill, embodying the statements made by Mr. Fly. So I know perfectly well that the Senator has not heard from any of the telephone companies.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. WHEELER. Yes; I yield.

Mr. TAFT. Is it not probably true that the telephone companies would like to have the Government take over their plants and do for them what the Government did for the railroads during the World War?

Mr. WHEELER. I think the owners of the Postal Telegraph & Cable Co. undoubtedly would be delighted to have the Government take over their property and pay them what they think it is worth. All of us know that the owners of a company never want the Government to take over their property unless it is losing money. Some time ago, when I first came to the Senate, a measure was introduced for the purpose of taking over a canal across Cape Cod. The owners of the canal never wanted the Government to take it over until they were losing money, but when they were losing money they wanted the Government to take it over. The owners of any property are never in favor of Government ownership

until the property does not pay. When it does not pay, and when it is losing money, they are in favor of Government ownership of the property.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. Let us see if we can approach from a somewhat different angle the matter about which I was talking. I understand the Senator to say that there is no intention—as least, none at present in sight—to use this legislation as authority for taking, for instance, the entire telephone system into Government operation as a Government unit, with Government employees, but that the intention is purely one of control and use, with reliance upon existing operating personnel.

Mr. WHEELER. That is correct.

Mr. VANDENBERG. So long as that is the intention, and so long as that intention is fulfilled, I completely agree with everything the Senator says about the necessity for the legislation, but I am wondering if it is necessary to rely upon a few words in a committee report in order clearly to demonstrate that that is also the congressional intent. On page 2, line 14, after the authorization for the use and control of the facilities, after the phrase "upon just compensation to the owners," would the Senator object to the addition of the following words:

Provided, That the operation of these facilities shall continue under existing operating personnel unless the President finds it to be incompatible with the public interest.

Mr. WHEELER. As a matter of fact, I do not think it is necessary. Frankly, I think what would happen would be that we should simply be putting certain language in the bill after we have expressly said that is the intention. After all, I think the Government is bound by the intention expressed with reference to this particular matter by the committee and by the Congress of the United States.

Mr. VANDENBERG. Mr. President, I am perfectly willing to vote for an emergency reliance, which is all the Senator is addressing himself to; but I do not want to find out 6 months from today that, under that guise and in the form of this rather innocent legislation, I voted for Government ownership and operation of all the telephone systems of the United States.

Mr. WHEELER. The Senator certainly would not be doing that. Let me read to him a portion of the testimony before the committee.

Mr. Fly said:

There is no plan to take over the communications facilities permanently; for that matter, there is no current plan to take over the communications facilities at any time broadly and generally, so we are not concerned with the amendments.

The CHAIRMAN. As I understand it, then, Mr. Fly, there is no present intention of taking over either the radio, the telephone, or the telegraph companies?

Mr. Fly. In a broad sense, that is right, sir; there is not.

The CHAIRMAN. There is no intention of taking them over primarily under this bill?

Mr. Fly. That is right, sir.

the amount involved is in excess of \$10,000,000. Suppose the Government took them over for \$9,500,000; it would not have to come to Congress. But if the amount involved were in excess of \$10,000,000, it would have to come. Then the telephone company could come in and say, "You have got to appropriate \$10,000,000 or \$20,000,000 or \$30,000,000." Suppose we provided the \$30,000,000; they could come back in 2 years or 5 years, when the war was over, or, perhaps, 5 years later, and do exactly the same as the railroads did, and say, "You did not pay us enough." That is what happened with reference to the short-line railroads. As the Senator says, they came back in 2 or 3 years and said, "You did not pay us enough money."

Mr. REED. If the Senator will permit me, in 1940 the Senate passed the short-line railroad bill to which I have referred when it was sitting in the old Supreme Court room.

Mr. WHEELER. I must say that, at first, I opposed that bill. The interested roads said, "It is true that once you made a settlement with us, but now we are coming back and claiming that there was injustice done, and we want still more money." So Congress gave them more money than the amount for which the claims were first settled. If we should do that in this case, there would result an interminable controversy with the public utilities which might be taken over. We have got to say, it seems to me, that the President shall have the power to take them over, and then afterward, whatever the amount may be, we have got to figure it out and say, "Here is the amount that is owing to you," and have it fixed by the court or by some commission or by the Congress of the United States. When it is done, it ought to be done once and for all; and after that settlement is made the communications systems ought not to be permitted to come back to Congress 10 or 12 years afterward and say, "You did not give us enough money, and now we want more money."

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Maine.

Mr. WHITE. I am quite sure the Senator has in mind that what he is just advocating is precisely what the law is with respect to compensation for taking over radio services. The law authorizes the taking of radio services; then it provides that the President may offer compensation therefor; and, if it is not satisfactory, the owners of the property may go into court and proceed to collect damages or compensation which may be fixed by judicial process.

Mr. WHEELER. That is correct. I thank the Senator.

Mr. WHITE. That, I take it, is precisely what the Senator is contending?

Mr. WHEELER. That is correct; it is exactly so.

Mr. REED. Mr. President, I want to be properly modest in the presence of lawyers such as the Senator from Maine and the Senator from Montana, but I do not think the Congress of the United States could deprive any of these com-

panies or corporations of the privilege of going into court to determine whether it received reasonable compensation.

Mr. WHEELER. I do not think there is any doubt about that at all. They could go into court, because, under our Constitution, property cannot be taken by the Government without due process of law. They have a right to go into court, of course, and, if their property is taken, they are entitled to compensation, whether we write it into the bill or do not write it into the bill. We have written it into the bill; but that right would exist, anyway, of course, unless we changed our form of government.

Mr. HILL. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Alabama.

Mr. HILL. With reference to the question of a concurrent resolution, of course, we know that Congress cannot repeal a statute by a concurrent resolution; but under this bill what we attempt is to give the President power—to do what? To make a proclamation if there exists a state of war or a threat of war, and if he proclaims the fact to exist, then the bill gives him the power to take over the communications services. There is no provision with reference to a concurrent resolution, as I understand. What it provides is simply that the President may proclaim a certain fact to exist. We can come along afterward and proclaim another fact to exist or proclaim that the fact the President proclaimed as existing does not exist, and that, of course, would terminate his power. Is not that true?

Mr. WHEELER. Yes; I thank the Senator.

Mr. President, as I have said, I introduced the bill at the request of the Department; there was no serious objection to the bill as I introduced it at that time from the telephone or telegraph companies. But when it went to the other House that body went further than the Senate did, rewrote the bill, and put in some amendments which they felt would further protect the telephone and telegraph companies. Everyone has been perfectly satisfied with the bill as it is written, particularly in view of the statements in the report; and I hope that the bill will pass, for the administration has been very anxious to have it passed promptly because of conditions which exist or which they are afraid might exist which would make necessary the use of some of the provisions of the bill in certain sections of the world.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. VANDENBERG. The Senator's last statement might carry the implication that some of the questions which have been asked have been asked in the interest of the companies. I have not any interest whatever in the companies, but I have a great deal of interest in the quality of telephone service this country has. I can get the wrong number often enough under private management; I should hate to have to tackle it under public management. I do not want to wake up and discover that the great tele-

phone systems of this country have become Government monopolies as a result of a relatively inoffensive piece of legislation.

Mr. WHEELER. Let me say to the Senator that I should hate to see the radio taken over by the Government of the United States. I think it would be one of the worst things that could possibly happen to the United States if the radio in this country were owned by the Government, as it is in Germany and as it is in Russia, and as it is in Italy, or as it is in England, because everybody recognizes that while the radio in England is Government-owned, the English have a far poorer service than we have here in the United States. I have been a critic of the radio broadcasting companies on numerous occasions; but everything is relative, and, with all due respect to them, when we compare their service with the service that is given in other countries, the service is better over here. But if the radio were owned by the Government, of course we should have the Government saying who could speak over the radio, and the Government would absorb the time with nothing but propaganda, as is done in Germany and in Italy and in Russia.

For the same reason I believe that if the Government were to take over the telephone companies, and they were run by some bureau in Washington, we probably should have more inefficient telephone service than we have today. I do not think there is any doubt about it. I think it is one of the things that it would be difficult for the Government to handle and give good service all over the country. But we have the radio law on the statute books, and we have had the threat of war, and there has not been any attempt to take over the radio. If there had been any attempt to take it over because of the threat of war I am sure I would have been one of the first to speak against it upon the floor of the Senate, because I am afraid that if the Government had taken it over prior to our getting into the war I might not have been permitted to speak.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. WHEELER. I yield.

Mr. TAFT. The Senator recognizes, however, that if he had spoken on the floor after the radio had been taken over, it would have been too late; does he not?

Mr. WHEELER. I think the Congress of the United States would have very promptly passed a law on the subject.

Mr. HILL. Mr. President, will the Senator yield?

Mr. WHEELER. I yield to the Senator from Alabama.

Mr. HILL. As the Senator has well said, so far as this bill is concerned, it does not change in any way whatever the situation in connection with radio.

Mr. WHEELER. That is true.

Mr. HILL. The provision authorizing the Government to take over the radio has been in the law for some years. So far as taking over the telephone lines is concerned, we took them over during the World War, and we gave them back to the private owners after the war; did we not?

Mr. WHEELER. That is correct.

Mr. HILL. And the Senator knows that if we have to take them over during this war, we will turn them back.

Mr. WHEELER. There is not any danger of the Government taking them over and keeping them unless the complexion of the Congress of the United States completely changes, any more than there was danger of the Government taking over the railroads and keeping them after the war was over.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. WHEELER. I yield.

Mr. HILL. If the complexion of Congress should change so much that we would keep the telephone lines if we took them over, it would mean that even if we did not take them over now we would go ahead and take them over if Congress were to change to that extent.

Mr. WHEELER. That is true.

Mr. HILL. It is not necessary to have war power to take them over.

Mr. WHEELER. Not only that, but the bill provides that within 6 months' time after the end of the war they must be turned back to their owners.

Mr. HILL. The bill automatically returns them.

Mr. WHEELER. That is correct.

Mr. VANDENBERG. Mr. President, if the Senator is to rely on the complexion of the Congress I will concede that he has something, because if there is any change in the complexion of Congress I think the complexion will change in a totally different direction.

Mr. HILL. Is that a question of opinion or of prayerful hope?

Mr. WHEELER. Or a statement of fact?

Mr. TAFT. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. ELLENDER in the chair). The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 2, line 14, it is proposed to insert the following:

Provided, however, That except in case of invasion, or in connection with the movement of military or naval forces, no such authorization shall be given for the use and control of facilities or stations for domestic wire communication costing more than \$10,000,000 without prior appropriation for such purpose by the Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. TAFT. Mr. President, this amendment is printed and on the desks of Senators, with two changes which I made in view of the Senator's suggestion that it may be necessary to take over the cable companies of the Pacific. It reads as follows:

Provided, however, That except in case of invasion, or in connection with the movement of military or naval forces, no such authorization shall be given for the use and control of facilities or stations for domestic wire communication—

Instead of the word "property"—

costing more than \$10,000,000 without prior appropriation for such purpose by the Congress.

Mr. President, I am interested only in the general policy of whether the Government shall take over the telephone and telegraph companies. It is admitted by the Senator from Montana [Mr. WHEELER] and by the Senator from Kansas [Mr. REED] that the bill authorizes the Government tomorrow, if it wishes to do so, to take over all the telephone companies in the United States and all the telegraph companies in the United States. There is no doubt about the language, and I think they admit that that is its effect. I do not care how much emergency stuff is taken over. It makes no difference to me whether the Government takes over a station here or somewhere else where some military question is involved; but it seems to me that under the bill, merely because we want to give power for that purpose, we do not have to give the President power to take over the entire telephone and telegraph systems of the United States without further action by Congress. I do not care whether that action is by way of another authorization or by way of an appropriation. It seems to me easiest and quickest to say that the Government shall not be able to take over these systems without appropriation by Congress except in the case of small companies.

In the first place, the action authorized would involve the companies and the United States in tremendous cost. Taking over the railroads cost the taxpayers hundreds of millions of dollars in the World War. In the second place, I do not feel that the Government ought to take over the telegraph and telephone companies unless we debate the question as to whether they should be taken over when we are actually considering that question, and unless we decide that they should be taken over. It is a legislative question. So far as it is a military question, I have excepted it from my amendment. In case of invasion, or in case of the movement of troops, the Government may take over the telegraph and telephone companies. I have not any doubt about the President's power as Commander in Chief, if you please, in the case of any military action, to take over these systems without any further authority from Congress; but it seems to me it ought to be possible to impose some limitation that will say that Congress shall decide whether we want to take over the telephone and telegraph companies.

It is said that the proposed taking over is only temporary; but I venture to question, Mr. President, if the telegraph companies are ever taken over by the Government, whether they ever will be returned to private ownership. True, the railroads were returned to private ownership after the World War, but there was considerable discussion of the matter at the time; and if they are once again taken over, with all the tremendous complications involved in that action today, and the tremendous number of railroads now in bankruptcy, I question whether they would be actually returned to private ownership. It seems to me we ought not to change, because of the war, the basic elements of the American system without express consideration of the change by

Congress, and a debate as to whether or not it ought to be done.

There is not a Senator on the floor today who thinks that tomorrow the Government ought to take over the telephone and telegraph companies. There is not a Senator who envisions the circumstances under which those companies may be taken over; and yet, if this power is granted to the executive department, the President, because he cannot make a wire connection, or because somebody complains of something the companies have done, may sign a single order that will commit the United States to hundreds of millions of dollars and perhaps billions of dollars of obligation, and will commit the United States, perhaps permanently, to a Government-owned telegraph and telephone system. I would make the same opposition as to the railroad statute and as to the radio statute. Of course, the radio is far more under Government control, and perhaps necessarily has to be; but I see no reason why domestic wire communication should be seized by the Government under any circumstances that I can think of.

There is not the slightest difficulty in getting 100 percent cooperation from the companies. They have not, so far as I know, refused one request. They are even willing to have the pending bill enacted and have their properties taken over by the Government. I say that it is to our interest, and it is in the interest of the rights of congressional action, that we should determine whether or not the companies should be taken over.

So far as concerns the objection to the particular language of the amendment, which provides that the action shall not be taken without a prior appropriation by Congress, it does not mean that Congress would have to determine the exact amount. It merely means that if the President should say tomorrow that it was necessary to take over the California Telephone Co., for instance, which is capitalized at \$280,000,000, perhaps we could get it for \$200,000,000. In that case I should want an appropriation made. The amendment does not provide that the appropriation shall be in any exact amount; it shall be an appropriation merely for the purpose of giving congressional authority to perform that particular act of taking over the California Telephone Co. We can pass an appropriation measure in a very short time, if it shall become necessary.

I cannot see any justification for authorizing the President to take over the telephone and telegraph companies of the United States at this time. Every legitimate purpose of the pending bill can be carried out with the limitation I propose included, requiring that Congress itself shall pass on any general taking over of telegraph and telephone companies before it is actually consummated.

Mr. WHEELER. Mr. President, I do not wish to add anything to what I have stated already, but if the pending amendment should be included in the bill, it would mean that the President would have to come to Congress and ask for an appropriation whenever he thought there was necessity for action, and we might

have a dispute as to the amount of money that was to be paid, and probably become involved in interminable controversies and delays. I do not see any reason why the bill should not be passed in its present form, and I hope the amendment will be defeated.

Mr. HILL. Mr. President, I call to the attention of the Senate the fact that the bill provides that in the event the lines of the telegraph or telephone companies, or any part of them, should be taken over, the companies should be compensated in exactly the same manner we have provided for compensation in the event any other property should be taken over. We passed the so-called property-seizure bill, and went to the very communications act which has been referred to, and took out of that act the provision for compensation of owners. Subdivision (d) of section 606 of the act provides that, when the President has been forced to take over any of these lines:

The President shall ascertain the just compensation for such use or control and certify the amount ascertained to Congress for appropriation and payment to the person entitled thereto. If the amount so certified is unsatisfactory to the person entitled thereto, such person shall be paid only 75 percent of the amount and shall be entitled to sue the United States to recover such further sum as added to such payment of 75 percent will make such amount as will be just compensation for the use and control. Such suit shall be brought in the manner provided by paragraph 29 of section 24, or by section 145, of the Judicial Code, as amended.

Under this provision the owner of the plant, if a plant has to be taken over by the Government, is given his day in court. If he does not wish to accept what the President fixes as a fair and just price, the owner can go into court and have the court adjudicate, determine, and fix what is a fair and a just price. That is the provision we put into the property-seizure measure, and it is the provision which the Committee on Military Affairs has put into all bills it has reported whenever any question of taking over property is involved.

There is no more reason why in time of war the Government should not take over a telephone line than that it should not take over an armament plant, or any other piece of property necessary to waging the war.

Mr. TAFT. If the Senator will yield, let me say that he misunderstands my position. I do not say there should not be adequate compensation. I say that, so far as the telegraph company owners are concerned, they would like to have their property taken over and paid for by the Government. My point is that, from the standpoint of governmental policy, I do not believe in taking over the telephone and telegraph companies at this time. Six months from now I might be in favor of it. I do not say that when the appropriation comes before us I may not be in favor of it, but I say that I am opposed to taking over the telephone or telegraph companies, or the railroads, or the radio stations, at this time; and if we are opposed to such action today, it seems to me we might well reserve the granting of any powers to enable the President to carry that

action into effect until the time comes when it shall be necessary to do it. That is all my amendment provides. My amendment makes the bill an authorization measure, but it provides that there must be an appropriation before the taxpayer shall be subjected to the tremendous cost which would be involved, and that Congress shall determine the question. That would be the only effect of my amendment.

Mr. HILL. It is not a question at all whether we believe in taking over the telegraph companies, or in taking over American industry, or in taking over anything, in normal times of peace. We are at war. We are confronted with perhaps the greatest war, the most challenging and terrific war this country has ever called upon to face, and we have to be able to act, and to act at once, to meet any situation which may arise. The administration can take over an industry—it can take over an armament plant—without first coming to Congress for an appropriation. To my mind, it is ridiculous and absurd to stand on this floor and say that the Commander in Chief cannot take over the necessary lines of communication in a theater of operations in time of war without coming to Congress to get some kind of an appropriation for that purpose.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HILL. Let me finish my statement. If it had been necessary when the attack came on Pearl Harbor to take over the telephone lines, and to take them over immediately, the President could not have done so under the Senator's amendment without first coming to Congress and getting an appropriation. Who knows but that tomorrow on the west coast, in California or in some other State, or in some other theater of operations, it may be absolutely necessary, for the protection of that theater of operations, for the protection of the lives of our men whom we have not hesitated to draft and to send into the front lines, for the protection of our Allies, to take over some line of communication? To stand on this floor and say that the Commander in Chief would have to wait and come to Congress before he could act, seems to me to be absurd.

Mr. TAFT. In the first place, my amendment makes an exception in case of invasion. In such an instance the Commander in Chief could take over the telephone companies anyway, whether we gave him power to do so or not.

Mr. HILL. He certainly should have that power.

Mr. TAFT. I may say that I think it is ridiculous and absurd for the Senator to stand on this floor and say that we must grant to the President, in time of war, any power he asks.

Mr. HILL. The Senator from Alabama did not say that we should grant the President any power he asks, but the Senator from Alabama does say that we should grant him any power which may be necessary to the successful prosecution of the war.

Mr. TAFT. My contention is that, in order to prosecute the present war successfully, it is not necessary to take over

the telephone and telegraph lines of the United States; and the bill authorizes exactly that to be done.

Mr. HILL. The Senator from Alabama does not say it is necessary, in order to wage this war, to take over all the telegraph and telephone lines. The Senator from Alabama hopes it will not become necessary to take over these lines, but the Senator from Alabama does say that if it should become necessary the President should have the power to take over the lines.

Mr. TAFT. Mr. President, I wholly agree that the President should have the power to do anything that is necessary. I cannot conceive of circumstances under which it is going to be necessary to take over these lines, and I say that if Congress is prepared to grant to the President the power to do anything without any further action by Congress, we might just as well adjourn and go home. It seems to me we should not grant the President power to do things which are not necessary—things which, it is admitted, are not necessary today. It seems to me perfectly clear that we should limit the bill, and provide that when it is necessary, when there is an invasion, for instance, then the power shall be granted, but we should not give the President discretion to take over the lines of the telephone and telegraph companies of the United States, at a cost of millions and perhaps millions of dollars to the taxpayers of the United States, without the slightest vestige of an appropriation by Congress.

Mr. WHITE. Mr. President, I wish very briefly to associate myself with the Senator from Montana [Mr. WHEELER] in support of the proposed legislation, and in opposition to the pending amendment.

Mr. President, I doubt if any Senator on the floor views with more reluctance the impact by government upon the industrial life of this Nation than do I, but it seems to me we are here confronted not with a theory of government but with a necessity which requires action by the Congress of the United States.

Reference has been made to the radio legislation, and it has been said that the powers granted by the pending bill are substantially the same as the powers granted by the radio legislation. That is true, but there is a very much broader basis for authority in the radio law than there is in the bill now before the Senate. The radio law gives the President authority to take over the radio-communication facilities of the country in time of war, or in time of threat of war, as this bill does, and then it proceeds to say that the President may take over those facilities in the event of public peril or disaster—I think I am quibbling that language correctly—or during any other national emergency. So there are with respect to radio, three bases for the exercise of authority by the President that do not exist in the proposed legislation. In that respect the proposed legislation goes a much shorter distance than the Congress went in the radio legislation. That language of the radio law has been on the statute books of the United States for approximately 20 years.